

Just recently I was made aware of the proposed rule that the FTC wants to create to ensure that every prospect considering a business opportunity has all the information he or she needs to make an educated decision and are not taken by any pyramid or “get rich quick” schemes. While I truly encourage this effort some of the requirements that are involved in the proposal will seriously affect the business of legitimate independent business owners (IBOs), such as myself.

The requirements to provide prospects with personal financial documents to back up any and every income claim is outrageous and in some cases would be considered a violation of privacy. Although, my partners are more than willing to share their experiences and the average amounts of income and bonuses that they receive from their businesses, it is very intrusive to require them to disclose extremely private information for the average person to have access to, especially when it is completely unnecessary since not only do we as IBOs discuss a very detailed profit model during our business presentation but we also provide a copy of this model in our already FTC approved literature, which is given to every prospect following the presentation.

Also, the requirement to provide a list of 10 references including the names, addresses, and phone numbers of other partners (IBOs) in the area, again can be considered an intrusion and a violation of privacy. There are a lot of single females that are apart of our team that wish to keep that type of information from being publicly accessed to protect their personal safety. Additionally, all of the IBOs within our business are extremely busy balancing personal lives, in some cases jobs, and building their businesses. Most of them have very tight schedules and it is extremely distracting and counterproductive to require them to take time to receive phone calls or worse an unannounced visit to their home, from strangers. Within our business we take both the prospects and our IBOs time and safety into consideration by providing a ‘meet and greet’ session before the presentation of our business. This session is usually held in a public facility and involves several IBOs (well over the amount that the FTC is proposing to have listed as references). This session is also the prospect’s opportunity to physically meet IBOs that they can relate to and ask questions, but more importantly get a feel for whether or not they would feel comfortable working with us and becoming affiliated with our organization.

Additionally, the requirement to provide every prospect with a list of all lawsuits, arbitrations, and other legal claims for the past 10 years involving Quixtar *and its IBOs* where the plaintiff *alleged fraud*, misrepresentation, or unfair trade practices – *regardless of whether or not the accusation was true* is unnecessary and counterproductive. As previously stated the IBOs affiliated with our team have very tight schedules and it would seriously affect their income making ability if instead of using their already limited time to generate customers and interview perspective partners they were required to spend their time staying updated with all of the allegations that the internet can create. Once, again this is counterproductive. Usually, during some point of our business presentation, the prospects are made aware of at least two websites that they can do their own research on our both our servicing company (Quixtar) and our business team, as well as encouraged by the presenter and other IBOs to search the net, libraries, etc. However, just as if they prospect were going on a job interview, the HR Department, hiring manager

nor the CEO is going to provide the applicant with all of the legal claims that their company has been involved in over the last 10 years. If the applicant wants to know more about the company's background and weigh whether or not they want to work for that company then they are going to research the company as much as possible before accepting an offer.

Last, but not least, the FTC's proposal has a requirement that the prospect would have to wait 7 days after receiving all of the documentation described above before they could register as an IBO and begin generating income. This is taking away the prospects freedom of choice as well as taking away their ability to generate instant income. It denotes the old saying, "Time is Money". The more time that the prospect has to wait to register (get a mandatory business license to operate within the United States) the more money that they could potentially lose, which totally defeats the purpose of being in business for themselves. Legitimate businesses, such as ours do not pressure prospects in any way. We want them to take their time and do their research to see if the opportunity that we present is something that they are comfortable with taking advantage of. This actually helps us as IBOs to ensure that we don't waste our time with people that don't value it because that would be counterproductive on our part. So once a prospect chooses to become affiliated with our firm or any other business, they should be able to get their business started and generating income as soon as they would like. That is one of the benefits of the "Free Enterprise System." Having a waiting period has absolutely no purpose and only hurts them.

While I appreciate the FTC's efforts to protect prospects who are considering business opportunities the requirements above defeat the purpose and hurt legitimate business owners like myself. I hope that the FTC takes into consideration my concerns and those of other business owners and revises or eliminates these requirements. I ask that before any proposal of this nature is put into affect that the FTC effectively does its research to ensure that legitimate business operations, such as mine are not negatively affected.